

and National Guardsman have been mobilized. The activated troops serve along side active duty men and women.

It surprises me that inequities still exist between reservists and active-duty service members serving side by side to protect the interests of the United States and I am pleased to work with my colleagues in correcting one of them.

Knowing that the Senate has already acted on a similar measure, I am confident that this bill will enjoy swift approval by the House and will soon be at the President's desk for enactment into law.

#### JOB PROTECTION ACT OF 2003

### HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. RANGEL. Mr. Speaker, I am very pleased today to be joining my good friend, Philip Crane, in introducing the Job Protection Act of 2003. I am very pleased both with the substance of this bill and the bipartisan cooperation exhibited by everyone in its development. This bill is a model for how we should be addressing national issues in this Congress.

The bill responds to the recent World Trade Organization ruling that held that our export-related tax benefit, the FSC/ETI provision, violates our trade agreements. I believe that it is necessary for this country to comply with its international agreements. But I believe that the response to the ruling must be designed in a way that preserves jobs in the United States.

The FSC/ETI provisions currently benefit companies manufacturing and producing goods in the United States. One company executive described the beneficiaries of FSC/ETI as companies "doing business the old-fashioned way," producing goods in the United States and selling them overseas.

Merely repealing FSC/ETI without returning the revenues to companies producing in the United States could result in further job losses in the United States. This would be unacceptable, particularly now when there has been a steady erosion in U.S. manufacturing jobs.

Our bill will comply with the WTO ruling by repealing the FSC/ETI benefit, but it also will provide a permanent effective rate reduction for U.S. manufacturers that is consistent with our trade agreements. It will create positive incentives for companies to expand their operations in the United States, not overseas. It will preserve, not threaten U.S. jobs.

Mr. Speaker, we have had similar challenges to our export-related benefits in the past. We always have responded in a bipartisan, bicameral basis. Such a response is appropriate because that type of challenge is not a partisan issue. It is a legal dispute between our country and our foreign competitors. In that dispute we all represent the same client, the United States. We should proceed just like a group of lawyers representing the same client, perhaps disagreeing in private, but never sharing those disagreements or competing legal briefs with our opponent.

Attached is a summary of the provisions of the bill.

The proposal would repeal the FSC/ETI benefit effective on date of enactment. The

proposal would include binding contract transition relief and general transition relief. The general transition relief would be based on the company's FSC/ETI benefit for 2001. The company would receive a deduction of 100% of its base period amount for 2004 and 2005, 75% for 2006 and 2007 and 50% for 2008, with no general transition relief thereafter.

As the general transition relief phases out, a new permanent benefit for U.S. manufacturers would be phased in. The new benefit would reduce the effective corporate tax rate on income attributable to U.S. production activities. Purely domestic companies would receive an effective rate reduction of 3.5 points (reducing the 35% rate to 31.5%). Companies with operations offshore would receive a smaller rate reduction based on the value of their U.S. and world-wide production. That adjustment would create positive incentives for companies to keep operations in the United States.

#### INTRODUCTION OF LEGISLATION TO EXPAND THE EARNED IN- COME TAX CREDIT

### HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. BECERRA. Mr. Speaker, the earned income tax credit (EITC) provides cash assistance to lower income working parents and individuals through the tax system and is an important part of the Federal "safety net" of programs for Americans living in poverty.

Under current law, there are three categories of EITC recipients: those with no children, those with one child, and those with two or more children. One does not need to owe taxes at tax time in order to benefit—the EITC benefit amount may exceed tax liability and be received in the form of a payment from the U.S. Treasury after the tax year's end. Moreover, certain eligible workers with children may choose to receive a portion of the EITC in the form of advance payments throughout the tax year.

While the EITC has been tremendously successful and has lifted more children out of poverty than has any other government program, I believe that our efforts to use this important tax credit to fight poverty can be further improved. Recent studies have shown that 29 percent of all children in families having three or more children subsist at incomes below the poverty level. This is more than double the poverty rate among children in smaller families. Nearly three of every five poor children in this country live in families with three or more children. Our former colleague Rep. Bill Coyne introduced legislation during the 107th Congress that targeted this particular problem and made other needed improvements to the EITC program. Today I reintroduce that bill.

The bill will create a new EITC benefit level for families with 3 or more children, with a credit percentage of 45 percent, to provide a higher benefit than what they currently receive under the "two or more children" category (which has a 40 percent credit rate). The bill would also double the credit percentage for workers with no qualifying children from 7.65 percent to 15.3 percent. This change recognizes the fact that there is virtually no safety

net for people in this category, who face high federal tax burdens. The 15.3 credit percentage is the amount needed to fully offset the amount of the payroll tax, including the employer's share.

In addition, the bill will increase EITC benefits for all family categories by raising the maximum creditable earnings used to calculate the credit. For all eligible individuals with children, this amount for the year 2002 will be \$10,710, the annual wages of a full-time worker earning the minimum wage. For childless workers, the maximum creditable earnings will rise to \$6,000, approximately 60 percent of those wages. In order to balance program costs, benefits will phase out at the same income level, as is the case under current law.

The creation of the additional EITC category involving three or more children will benefit approximately 3.2 million households and further reduce poverty among these larger families. The economic stimulus function of my bill cannot be overlooked, as it will benefit the U.S. economy by providing additional incentives for more people, especially low-income women, to join the work force.

Mr. Speaker, at a time when our country is facing so many economic challenges, we must not forget that our low-income families continue to remain at the margins of our economy and are the first to suffer the effects of an economic downturn. I urge all my colleagues to join me in this effort to further enhance the highly successful EITC by cosponsoring this legislation.

#### CONCERN FOR AMERICA'S TELECOMMUNICATION INDUSTRY

### HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. SHIMKUS. Mr. Speaker. I rise today out of concern for America's telecommunications industry.

Service providers and equipment manufacturers are going out of business, workers have been laid off, and capital investment is frozen. Experts agree the industry is experiencing an "economic meltdown." Once an engine of economic prosperity in the 1990s, this important sector is now a driver of the current recession.

Why is this happening?

In order to spur competition in the local phone market, the Telecommunications Act of 1996 required the local Bell companies to rent out their networks to competitors while they developed a customer base and built their own facilities.

That is fine. However, many state regulators set the Bells' leasing rates significantly below the cost of maintaining their lines. For some time now, the incumbent phone companies have been bleeding money while big players, such as Worldcom, take advantage of these artificially low rates that were designed to help new entrants gain access to the market. Without contributing to the local infrastructure, these companies are cherry picking lucrative business and select residential customers, while leaving the Bells to serve everyone else.

Instead of helping the little guys get started and bringing true competition to the local phone market, this regulation is a boondoggle for a few big companies at the expense of the

regional Bells. This is not a sustainable economic model, as we are now witnessing.

Recently, the Federal Communications Commission had the opportunity to turn things around in their Triennial Review. They failed to do so.

Instead of correcting the rate structure and creating the regulatory certainty necessary to stabilize the industry, the FCC managed to produce even more uncertainty by punting to the states the rate decision they were supposed to establish. This means that the rate structure for local telephone service will now have to go through lengthy legal battles in 50 different states and in the District of Columbia before it is resolved. Unless something is done, for years to come, lawyers will profit and the status quo will prevail.

I urge the FCC to reconsider its decision. You cannot fool an industry into recovery by creating a façade of competition.

HONORING THE WINNER OF THE  
2003 VOICE OF DEMOCRACY  
BROADCAST SCRIPTWRITING  
CONTEST, "FREEDOM'S OBLIGATION"

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mrs. WILSON of New Mexico. Mr. Speaker, I rise today to recognize Mr. Darshan N. Patel, a National winner of the 2003 Voice of Democracy Program. The contest theme this year was "Freedom's Obligation."

Mr. Patel is a sophomore at Albuquerque Academy in Albuquerque, New Mexico. I think you will agree that his entry earned the award. Mr. Patel has communicated a powerful message regarding "Freedom's Obligation." I submit his winning entry for the CONGRESSIONAL RECORD to honor Darshan's tribute to the American men and women of the military who have given us the many freedoms we enjoy today.

Mr. Speaker, I also extend my appreciation to the Veterans of Foreign Wars of the United States for their sponsorship of this program. This year more than 80,000 secondary school students participated in this contest competing for the 59 national scholarships. Darshan was sponsored by VFW Post 401 and its Ladies Auxiliary in Albuquerque, New Mexico.

Please join me in congratulating Mr. Darshan Patel as a National winner and thanking him for his patriotism.

ENSURE ACCESS TO CRITICAL  
DIALYSIS CARE UNDER MEDICARE

**HON. GERALD D. KLECZKA**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. KLECZKA. Mr. Speaker, today Congressman CAMP and I are introducing legislation, the Medicare Renal Dialysis Payment Fairness Act of 2003, which would require the U.S. Department of Health and Human Services (HHS) to create and implement by January 2004 an annual updating mechanism for dialysis reimbursement under Medicare.

While the Medicare program pays for about 75 percent of dialysis care, there is currently no mechanism to update the reimbursement to account for inflation, new technology, labor, and other cost increases. In fact, the dialysis reimbursement is the only Medicare prospective payment system that does not have an updating framework. As a result, in their March 2003 Report to Congress, the Medicare Payment Advisory Commission (MedPAC) states that Medicare is on average paying three percent less than the cost of a dialysis treatment. This payment disparity is even greater for small and rural dialysis facilities, which experience about an 11 percent payment shortfall per treatment.

A primary concern about this underfunding is the inability of dialysis facilities to compete with other providers—who do receive annual updates—for nurses and other health care workers. According to a study completed by Abt Associates, a dialysis center in Baltimore, Maryland is only able to pay \$25.75 per hour while the local hospital has the resources to pay \$35.00 per hour. Similarly, in northern California, a dialysis center pays staff \$32.00 per hour while the hospital pays \$40 per hour.

Across the nation, nursing salaries have increased an average of 27 percent (from \$23,140 to \$31,720) from 1992 to 2002. It has become more and more difficult for the renal community to keep up with these rising labor costs and recruit and retain trained staff for dialysis facilities when other providers have the capabilities to pay higher salaries.

Even more importantly, reports show that low reimbursement rates have started to create access to care problems for Medicare end stage renal disease (ESRD) patients. In 2001, on average 77 percent of patients treated at renal facilities were Medicare beneficiaries. However, among the dialysis facilities that closed in 2001, Medicare beneficiaries comprised 88 percent of patients. This evidence indicates the economic challenge that dialysis centers face in treating Medicare beneficiaries.

I am pleased that this legislation is supported by the Renal Leadership Council and the National Kidney Foundation.

Mr. Speaker, providing for an inflationary annual update would allow the Secretary of HHS to make appropriate, data-driven decisions each year on fair dialysis payment rates. We must ensure that dialysis care for Medicare beneficiaries is not jeopardized due to inadequate reimbursement. I urge my colleagues to cosponsor and support this important legislation.

CONGRATULATIONS TO MAURA  
LYLE LASATER

**HON. SHELLEY BERKLEY**

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Ms. BERKLEY. Mr. Speaker, I rise today to honor and congratulate Maura Lyle Lasater of Las Vegas, NV, Nevada's 2003 Cherry Blossom Princess and dear friend of mine.

I have known Maura since she was a youngster. I have watched her grow from an energetic toddler, through her competitive ice skating and horseback riding years as a young girl, high school at Bishop Gorman High School in Las Vegas, college at the University

of Puget Sound graduating with a Communications degree, all the way to the intelligent, poised and personable young woman with a great sense of humor she is today. Maura was an active and valuable participant in her mother's two successful Las Vegas mayoral races and also her run at the Nevada governorship.

Maura is now a trusted and valuable member of my staff. Her first day at work was September 11, 2001. Reporting to work at 9 a.m. that morning, new to this city and without a network of friends, within less than 45 minutes America and the world changed and Maura's own personal world became even more unsettled. My staff, rallying together in the face of their own unknown terror, embraced "the new girl" and kept her with them as they sought and found a safe place to wait out the day's events. In the chaotic days following 9/11—including the anthrax scare—Maura established herself as a tireless, reliable and dedicated public servant, despite her short time on the Hill.

Much has transpired since that day and Maura now is an experienced and knowledgeable Hill veteran, much loved and respected by her colleagues. She has her own network of friends and has continued her volunteer efforts on behalf of candidates and causes. Maura is an excellent representative of her home State of Nevada in the Cherry Blossom Festival.

The story of the Cherry Blossoms has been told many times—the Japanese Government, working with then First Lady Helen Taft, donated 2000 cherry blossom trees. When they arrived, they were found to be diseased and unfortunately had to be destroyed to prevent the spread of the disease to our own agricultural products. The Japanese Government was gracious enough to provide another donation—this time 3000 gorgeous cherry blossom trees. These were planted not only in the Tidal Basin, but all throughout Washington, DC. There are now less than 200 of the original trees remaining, and efforts are underway through new research and cuttings to regrow these trees so there will always be descendants of Japan's gracious gift to America. Maura and the other Cherry Blossom Princesses are an integral part of this time-honored tradition fostering continued good will of our two countries and the beauty the trees provide.

Maura spent a whirlwind week of customs and ceremonies as Nevada's representative to the Cherry Blossom Festival. I was filled with pride when I escorted her in the introduction ceremony at the Congressional Reception, attended by the Ambassador of Japan and Mrs. Ryozyo Kato. Las Vegas and all Nevadans can be proud to have Maura Lasater as their representative. I look forward to Maura's continued success in life and wish her all the best as she pursues her dreams and goals.

HONORING THE 100TH BIRTHDAY  
OF MARY LOU DAVIDSON

**HON. BART GORDON**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. GORDON. Mr. Speaker, I rise today to wish a happy 100th birthday to a dear cousin of mine, Mary Lou Gordon Davidson. She is a